

GAO

United States
General Accounting Office
Washington, D.C. 20548

Executive Registry

88-1560x

National Security and
International Affairs Division



April 13, 1988

The Honorable William H. Webster
Director, Central Intelligence Agency

Attention: Director, External Affairs

Dear Mr. Webster:

In March 1988, the Congress passed a resolution (Public Law 100-276, April 1, 1988) authorizing the expenditure of unobligated Defense Department appropriations to provide assistance and support for peace, democracy, and reconciliation in Central America. The Act authorizes the expenditure of \$47.9 million for certain specific purposes; including \$17.7 million for the Nicaraguan Democratic Resistance, \$17.7 million to provide medical care and other relief for children who are victims of the Nicaraguan civil strife, and \$10 million to support activities of the Verification Commission established by the Sapoa Agreement. The Act authorized the transfer of the funds to the Agency for International Development which is to administer the assistance.

The Act stipulates that the Comptroller General of the United States shall conduct an independent audit of funds expended in providing the support and assistance. Accordingly, we are beginning a review of the assistance and support furnished under the Act, and of other assistance or support which might be provided by the United States, to determine if only authorized assistance is furnished and that such assistance complies with provisions of the Act.

We plan to conduct our audit work at the Agency for International Development, the Departments of Defense and State, and the Central Intelligence Agency in the Washington, D.C., area. We will also perform audit work at other locations in the United States and overseas as appropriate. Since some of the activities required to provide the assistance and support may be contracted out to private individuals, corporations, or voluntary organizations, we expect to review those entities' expenditures relating to the assistance program. The work will be performed under assignment code 463769.

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Mr. Patrick M. McCracken will be in charge of the review and Mr. Stewart L. Tomlinson will be the Group Director. They can be contacted at (202) 695-1713. Your assistance in making necessary information available to complete this review will be appreciated.

Sincerely yours,

A handwritten signature in cursive script that reads "Joseph E. Kelley". The signature is written in dark ink and is positioned above the typed name and title.

Joseph E. Kelley
Associate Director